

## 1 AN ACT

2 relating to the powers and duties of the Gunter Municipal Utility  
3 Districts Nos. 1 and 2 and to the creation of the Mustang Ranch  
4 Municipal Management District No. 1 and the Case Creek Municipal  
5 Utility District No. 1 of Grayson County; providing authority to  
6 impose a tax, levy an assessment, and issue bonds; granting a  
7 limited power of eminent domain.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 ARTICLE 1. GUNTER MUNICIPAL UTILITY DISTRICTS NOS. 1 AND 2

10 SECTION 1.01. Subchapter C, Chapter 8238, Special District  
11 Local Laws Code, is amended by adding Section 8238.104 to read as  
12 follows:

13 Sec. 8238.104. NO ALLOCATION AGREEMENT. Section 54.016(f),  
14 Water Code, does not apply to the district.

15 SECTION 1.02. Chapter 8238, Special District Local Laws  
16 Code, is amended by adding Subchapter C-1 to read as follows:

17 SUBCHAPTER C-1. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

18 Sec. 8238.131. DIVISION OF DISTRICT; PREREQUISITES. The  
19 district may be divided into two or more new districts only if the  
20 district:

21 (1) has no outstanding bonded debt; and

22 (2) is not imposing ad valorem taxes.

23 Sec. 8238.132. LAW APPLICABLE TO NEW DISTRICT. This  
24 chapter applies to any new district created by division of the

1 district, and a new district has all the powers and duties of the  
2 district.

3 Sec. 8238.133. LIMITATION ON AREA OF NEW DISTRICT. A new  
4 district created by the division of the district may not, at the  
5 time the new district is created, contain any land outside the area  
6 described by Section 2, Chapter 966, Acts of the 80th Legislature,  
7 Regular Session, 2007.

8 Sec. 8238.134. DIVISION PROCEDURES. (a) The board, on its  
9 own motion or on receipt of a petition signed by the owner or owners  
10 of a majority of the assessed value of the real property in the  
11 district, may adopt an order dividing the district.

12 (b) The board may adopt an order dividing the district  
13 before or after the date the board holds an election under Section  
14 8238.003 to confirm the district's creation.

15 (c) An order dividing the district must:

16 (1) name each new district;

17 (2) include the metes and bounds description of the  
18 territory of each new district;

19 (3) appoint temporary directors for each new district;

20 and

21 (4) provide for the division of assets and liabilities  
22 between the new districts.

23 (d) On or before the 30th day after the date of adoption of  
24 an order dividing the district, the district shall file the order  
25 with the Texas Commission on Environmental Quality and record the  
26 order in the real property records of each county in which the  
27 district is located.

Sec. 8238.135. CONFIRMATION ELECTION FOR NEW DISTRICT. (a)

A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8238.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

Sec. 8238.136. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8238.054 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Sec. 8238.137. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

SECTION 1.03. Subchapter C, Chapter 8239, Special District Local Laws Code, is amended by adding Section 8239.104 to read as follows:

Sec. 8239.104. NO ALLOCATION AGREEMENT. Section 54.016(f), Water Code, does not apply to the district.

SECTION 1.04. Chapter 8239, Special District Local Laws Code, is amended by adding Subchapter C-1 to read as follows:

SUBCHAPTER C-1. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8239.131. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the

1 district:

2           (1) has no outstanding bonded debt; and

3           (2) is not imposing ad valorem taxes.

4           Sec. 8239.132. LAW APPLICABLE TO NEW DISTRICT. This  
5 chapter applies to any new district created by division of the  
6 district, and a new district has all the powers and duties of the  
7 district.

8           Sec. 8239.133. LIMITATION ON AREA OF NEW DISTRICT. A new  
9 district created by the division of the district may not, at the  
10 time the new district is created, contain any land outside the area  
11 described by Section 2, Chapter 1138, Acts of the 80th Legislature,  
12 Regular Session, 2007.

13           Sec. 8239.134. DIVISION PROCEDURES. (a) The board, on its  
14 own motion or on receipt of a petition signed by the owner or owners  
15 of a majority of the assessed value of the real property in the  
16 district, may adopt an order dividing the district.

17           (b) The board may adopt an order dividing the district  
18 before or after the date the board holds an election under Section  
19 8239.003 to confirm the district's creation.

20           (c) An order dividing the district must:

21           (1) name each new district;

22           (2) include the metes and bounds description of the  
23 territory of each new district;

24           (3) appoint temporary directors for each new district;

25 and

26           (4) provide for the division of assets and liabilities  
27 between the new districts.

1        (d) On or before the 30th day after the date of adoption of  
2 an order dividing the district, the district shall file the order  
3 with the Texas Commission on Environmental Quality and record the  
4 order in the real property records of each county in which the  
5 district is located.

6        Sec. 8239.135. CONFIRMATION ELECTION FOR NEW DISTRICT. (a)  
7 A new district created by the division of the district shall hold a  
8 confirmation and directors' election as required by Section  
9 8239.003.

10       (b) If the creation of the new district is confirmed, the  
11 new district shall provide the election date and results to the  
12 Texas Commission on Environmental Quality.

13       Sec. 8239.136. MUNICIPAL CONSENT. Municipal consent to the  
14 creation of the district and to the inclusion of land in the  
15 district granted under Section 8239.054 acts as municipal consent  
16 to the creation of any new district created by the division of the  
17 district and to the inclusion of land in the new district.

18       Sec. 8239.137. TAX OR BOND ELECTION. Before a new district  
19 created by the division of the district may impose a maintenance tax  
20 or issue bonds payable wholly or partly from ad valorem taxes, the  
21 new district must hold an election as required by this chapter to  
22 obtain voter approval.

23       SECTION 1.05. (a) The legal notice of the intention to  
24 introduce this article, setting forth the general substance of this  
25 article, has been published as provided by law, and the notice and a  
26 copy of this article have been furnished to all persons, agencies,  
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
2 Government Code.

3 (b) The governor, one of the required recipients, has  
4 submitted the notice and article to the Texas Commission on  
5 Environmental Quality.

6 (c) The Texas Commission on Environmental Quality has filed  
7 its recommendations relating to this article with the governor, the  
8 lieutenant governor, and the speaker of the house of  
9 representatives within the required time.

10 (d) All requirements of the constitution and laws of this  
11 state and the rules and procedures of the legislature with respect  
12 to the notice, introduction, and passage of this article are  
13 fulfilled and accomplished.

14 SECTION 1.06. This article takes effect September 1, 2011.

15 ARTICLE 2. MUSTANG RANCH MUNICIPAL MANAGEMENT DISTRICT NO. 1

16 SECTION 2.01. Subtitle C, Title 4, Special District Local  
17 Laws Code, is amended by adding Chapter 3885 to read as follows:

18 CHAPTER 3885. MUSTANG RANCH MUNICIPAL MANAGEMENT DISTRICT NO. 1

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 3885.001. DEFINITIONS. In this chapter:

21 (1) "Board" means the district's board of directors.

22 (2) "City" means the City of Celina, Texas.

23 (3) "County" means Collin County, Texas.

24 (4) "Development agreement" means the development  
25 agreement between the city and Celina 682 Partners, L.P., initially  
26 effective June 11, 2007.

27 (5) "Director" means a board member.

1           (6) "District" means the Mustang Ranch Municipal  
2 Management District No. 1.

3           Sec. 3885.002. CREATION AND NATURE OF DISTRICT. The  
4 district is a special district created under Sections 52 and 52-a,  
5 Article III, and Section 59, Article XVI, Texas Constitution.

6           Sec. 3885.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
7 creation of the district is essential to accomplish the purposes of  
8 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
9 Texas Constitution, and other public purposes stated in this  
10 chapter. By creating the district and in authorizing the city and  
11 other political subdivisions to contract with the district, the  
12 legislature has established a program to accomplish the public  
13 purposes set out in Section 52-a, Article III, Texas Constitution.

14           (b) The creation of the district is necessary to promote,  
15 develop, encourage, and maintain employment, commerce,  
16 transportation, housing, tourism, recreation, the arts,  
17 entertainment, economic development, safety, and the public  
18 welfare in the district.

19           (c) This chapter and the creation of the district may not be  
20 interpreted to relieve the city or county from providing the level  
21 of services provided to the area in the district as of the effective  
22 date of the article of the Act enacting this chapter. The district  
23 is created to supplement and not to supplant the city and county  
24 services provided in the district.

25           Sec. 3885.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
26 The district is created to serve a public use and benefit.

27           (b) All land and other property included in the district

1 will benefit from the improvements and services to be provided by  
2 the district under powers conferred by Sections 52 and 52-a,  
3 Article III, and Section 59, Article XVI, Texas Constitution, and  
4 other powers granted under this chapter.

5 (c) The district is created to accomplish the purposes of a  
6 municipal management district as provided by general law and  
7 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
8 Texas Constitution.

9 (d) The creation of the district is in the public interest  
10 and is essential to:

11 (1) further the public purposes of developing and  
12 diversifying the economy of the state;

13 (2) eliminate unemployment and underemployment; and

14 (3) develop or expand transportation and commerce.

15 (e) The district will:

16 (1) promote the health, safety, and general welfare of  
17 residents, employers, potential employees, employees, visitors,  
18 and consumers in the district, and of the public;

19 (2) provide needed funding for the district to  
20 preserve, maintain, and enhance the economic health and vitality of  
21 the district territory as a community and business center; and

22 (3) promote the health, safety, welfare, and enjoyment  
23 of the public by providing pedestrian ways and by landscaping and  
24 developing certain areas in the district, which are necessary for  
25 the restoration, preservation, and enhancement of scenic beauty.

26 (f) Pedestrian ways along or across a street, whether at  
27 grade or above or below the surface, and street lighting, street



1 landscaping, parking, and street art objects are parts of and  
2 necessary components of a street and are considered to be a street  
3 or road improvement.

4 (g) The district will not act as the agent or  
5 instrumentality of any private interest even though the district  
6 will benefit many private interests as well as the public.

7 Sec. 3885.005. INITIAL DISTRICT TERRITORY. (a) The  
8 district is initially composed of the territory described by  
9 Section 2.02 of the Act enacting this chapter.

10 (b) The boundaries and field notes contained in Section 2.02  
11 of the Act enacting this chapter form a closure. A mistake in the  
12 field notes or in copying the field notes in the legislative process  
13 does not affect the district's:

14 (1) organization, existence, or validity;

15 (2) right to contract;

16 (3) authority to borrow money or issue bonds or other  
17 obligations described by Section 3885.253 or to pay the principal  
18 and interest of the bonds or other obligations;

19 (4) right to impose or collect an assessment, or  
20 collect other revenue; or

21 (5) legality or operation.

22 Sec. 3885.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

23 (a) All or any part of the area of the district is eligible to be  
24 included in:

25 (1) a tax increment reinvestment zone created under  
26 Chapter 311, Tax Code;

27 (2) a tax abatement reinvestment zone created under

Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303,  
Government Code; or

(4) an industrial district created under Chapter 42,  
Local Government Code.

(b) If the city creates a tax increment reinvestment zone  
described by Subsection (a), the city and the board of directors of  
the zone, by contract with the district, may grant money deposited  
in the tax increment fund to the district to be used by the district  
for:

(1) the purposes permitted for money granted to a  
corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to  
pledge the money as security for any bonds or other obligations  
issued by the district under Section 3885.253.

(c) A tax increment reinvestment zone created by the city in  
the district is not subject to the limitations provided by Section  
311.006, Tax Code.

Sec. 3885.007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
DISTRICT LAW. Except as provided by this chapter, Chapter 375,  
Local Government Code, applies to the district.

Sec. 3885.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
chapter shall be liberally construed in conformity with the  
findings and purposes stated in this chapter.

[Sections 3885.009-3885.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3885.051. GOVERNING BODY; TERMS. (a) The district is

1 governed by a board of five directors composed of:

2 (1) two directors appointed by the governing body of  
3 the city;

4 (2) one director appointed by the governing body of  
5 the city who is an employee of the Prosper Independent School  
6 District;

7 (3) the city manager; and

8 (4) the city's chief financial officer.

9 (b) An appointed director serves a term of four years.

10 Sec. 3885.052. QUALIFICATIONS OF DIRECTOR. (a) Section  
11 375.063, Local Government Code, does not apply to a director  
12 employed by the city or the Prosper Independent School District.

13 (b) Section 49.052, Water Code, does not apply to the  
14 district.

15 Sec. 3885.053. VACANCY. The governing body of the city  
16 shall appoint a director to fill a vacancy on the board for the  
17 remainder of the unexpired term.

18 Sec. 3885.054. DIRECTOR'S OATH OR AFFIRMATION. A director  
19 shall file the director's oath or affirmation of office with the  
20 district, and the district shall retain the oath or affirmation in  
21 the district records.

22 Sec. 3885.055. OFFICERS. The board shall elect from among  
23 the directors a chair, a vice chair, and a secretary.

24 Sec. 3885.056. COMPENSATION; EXPENSES. (a) The district  
25 may compensate each director in an amount not to exceed \$150 for  
26 each board meeting.

27 (b) A director is entitled to reimbursement for necessary

1 and reasonable expenses incurred in carrying out the duties and  
2 responsibilities of a director.

3 Sec. 3885.057. LIABILITY INSURANCE. The district may  
4 obtain and pay for comprehensive general liability insurance  
5 coverage from a commercial insurance company or other source that  
6 protects and insures the directors against personal liability and  
7 from all claims for actions taken as directors or actions and  
8 activities taken by the district or by others acting on its behalf.

9 Sec. 3885.058. BOARD MEETINGS. The board shall hold  
10 meetings at a place accessible to the public.

11 Sec. 3885.059. INITIAL DIRECTORS. (a) The initial board  
12 consists of the following directors:

13 (1) Rod Hogan, city manager;  
14 (2) Jay Toutounchian, city chief financial officer;  
15 (3) Jim Melino;  
16 (4) Drew Watkins, Prosper Independent School District  
17 employee; and

18 (5) a director appointed by the governing body of the  
19 city.

20 (b) Of the initial directors, the term of the director  
21 appointed under Subsection (a)(3) expires May 31, 2014, and the  
22 terms of the directors appointed under Subsections (a)(4) and (5)  
23 expire May 31, 2012.

24 (c) This section expires September 1, 2014.

25 [Sections 3885.060-3885.100 reserved for expansion]

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 3885.101. GENERAL POWERS AND DUTIES. The district has

1 the powers and duties necessary to accomplish the purposes for  
2 which the district is created.

3 Sec. 3885.102. IMPROVEMENT PROJECTS. The district may  
4 provide, or it may enter into contracts with a governmental or  
5 private entity to provide, the improvement projects described by  
6 Subchapter C-1 or activities in support of or incidental to those  
7 projects.

8 Sec. 3885.103. WATER DISTRICT POWERS. The district has the  
9 powers provided by the general laws relating to conservation and  
10 reclamation districts created under Section 59, Article XVI, Texas  
11 Constitution, including Chapters 49 and 54, Water Code.

12 Sec. 3885.104. ROAD DISTRICT POWERS. The district has the  
13 powers provided by the general laws relating to road districts and  
14 road utility districts created under Section 52(b), Article III,  
15 Texas Constitution, including Chapter 441, Transportation Code.

16 Sec. 3885.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The  
17 district has the powers provided by Chapter 372, Local Government  
18 Code, to a municipality or county.

19 Sec. 3885.106. CONTRACT POWERS. The district may contract  
20 with a governmental or private entity, on terms determined by the  
21 board, to carry out a power or duty authorized by this chapter or to  
22 accomplish a purpose for which the district is created.

23 Sec. 3885.107. EMERGENCY SERVICES. (a) This section  
24 applies only to territory in the district:

25 (1) that is in the extraterritorial jurisdiction of  
26 the city;

27 (2) for which a plat has been filed; and

1           (3) that includes 100 or more residents.

2           (b) To protect the public interest, the district shall  
3 provide or contract with a qualified party to provide emergency  
4 services, including law enforcement, fire, and ambulance services,  
5 in the territory described by Subsection (a).

6           Sec. 3885.108. AMENDMENT OF DEVELOPMENT AGREEMENT. The  
7 parties to the development agreement may amend the agreement as  
8 necessary to accomplish the purposes of the district.

9           Sec. 3885.109. ECONOMIC DEVELOPMENT. (a) The district may  
10 engage in activities that accomplish the economic development  
11 purposes of the district.

12           (b) The district may establish and provide for the  
13 administration of one or more programs to promote state or local  
14 economic development and to stimulate business and commercial  
15 activity in the district, including programs to:

16                   (1) make loans and grants of public money; and

17                   (2) provide district personnel and services.

18           (c) The district may create economic development programs  
19 and exercise the economic development powers that:

20                   (1) Chapter 380, Local Government Code, provides to a  
21 municipality; and

22                   (2) Subchapter A, Chapter 1509, Government Code,  
23 provides to a municipality.

24           Sec. 3885.110. NO EMINENT DOMAIN POWER. The district may  
25 not exercise the power of eminent domain.

26           Sec. 3885.111. NO TOLL ROADS. The district may not  
27 construct, acquire, maintain, or operate a toll road.

[Sections 3885.112-3885.150 reserved for expansion]

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3885.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3885.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.

Sec. 3885.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Sec. 3885.154. CITY REQUIREMENTS. (a) An improvement project in the city must comply with any applicable requirements of the city, including codes and ordinances, that are consistent with the development agreement.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing

1 body of the city.

2 Sec. 3885.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE  
3 AREA. The district may undertake an improvement project or service  
4 that confers a special benefit on a definable area in the district  
5 and levy and collect a special assessment on benefited property in  
6 the district in accordance with:

7 (1) Chapter 372, Local Government Code; or

8 (2) Chapter 375, Local Government Code.

9 Sec. 3885.156. CONTRACTS. A contract to design, construct,  
10 acquire, improve, relocate, operate, maintain, or finance an  
11 improvement project is considered a contract for a good or service  
12 under Subchapter I, Chapter 271, Local Government Code.

13 [Sections 3885.157-3885.200 reserved for expansion]

14 SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

15 Sec. 3885.201. DIVISION OF DISTRICT; PREREQUISITE. The  
16 district may be divided into two or more new districts only if the  
17 district has no outstanding bonded debt.

18 Sec. 3885.202. LAW APPLICABLE TO NEW DISTRICT. This  
19 chapter applies to any new district created by division of the  
20 district, and a new district has all the powers and duties of the  
21 district.

22 Sec. 3885.203. DIVISION PROCEDURES. (a) The board, on its  
23 own motion or on receipt of a petition signed by an owner of real  
24 property in the district, may adopt an order proposing to divide the  
25 district.

26 (b) The board may not divide the district unless the  
27 division is approved by the governing body of the city by



1 resolution. The resolution may set terms for the division under  
2 Subsection (c).

3 (c) If the board decides to divide the district, the board  
4 shall, subject to the city's resolution:

5 (1) set the terms of the division, including names for  
6 the new districts and a plan for the payment or performance of any  
7 outstanding district obligations;

8 (2) prepare a metes and bounds description for each  
9 proposed district; and

10 (3) appoint initial directors for each new district.

11 Sec. 3885.204. NOTICE AND RECORDING OF ORDER. Not later  
12 than the 30th day after the date of an order dividing the district,  
13 the district shall:

14 (1) file the order with the Texas Commission on  
15 Environmental Quality; and

16 (2) record the order in the real property records of  
17 the county in which the district is located.

18 Sec. 3885.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a)  
19 Except as provided by Subsection (b), the new districts may  
20 contract with each other for any matter the boards of the new  
21 districts consider appropriate.

22 (b) The new districts may not contract with each other for  
23 water and wastewater services.

24 [Sections 3885.206-3885.250 reserved for expansion]

25 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

26 Sec. 3885.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
27 board by resolution shall establish the number of directors'

1 signatures and the procedure required for a disbursement or  
2 transfer of the district's money.

3 Sec. 3885.252. MONEY USED FOR IMPROVEMENTS OR SERVICES.

4 The district may undertake and provide an improvement project or  
5 service authorized by this chapter using any money available to the  
6 district.

7 Sec. 3885.253. BORROWING MONEY; OBLIGATIONS. (a) The  
8 district may borrow money for a district purpose without holding an  
9 election by issuing bonds, notes, time warrants, or other  
10 obligations, or by entering into a contract or other agreement  
11 payable wholly or partly from an assessment, a contract payment, a  
12 grant, revenue from a zone created under Chapter 311 or 312, Tax  
13 Code, other district revenue, or a combination of these sources.

14 (b) An obligation described by Subsection (a):

15 (1) may bear interest at a rate determined by the  
16 board; and

17 (2) may include a term or condition as determined by  
18 the board.

19 Sec. 3885.254. DEVELOPMENT AGREEMENT. Before the district  
20 borrow money or issues an obligation under Section 3885.253, the  
21 city must provide written certification to the district that no  
22 party to the development agreement is in default as of the date the  
23 district is authorized to borrow the money or enter the obligation.

24 Sec. 3885.255. ASSESSMENTS. (a) Except as provided by  
25 Subsection (b), the district may impose an assessment on property  
26 in the district to pay for an obligation described by Section  
27 3885.253 in the manner provided for:

1           (1) a district under Subchapters A, E, and F, Chapter  
2 375, Local Government Code; or

3           (2) a municipality or county under Subchapter A,  
4 Chapter 372, Local Government Code.

5           (b) The district may not impose an assessment on a  
6 municipality, county, or other political subdivision.

7           Sec. 3885.256. NOTICE OF ASSESSMENTS. (a) The board shall  
8 annually file written notice with the secretary of the city that  
9 specifies the assessments the district will impose in the  
10 district's next fiscal year in sufficient clarity to describe the  
11 assessments for the operation and maintenance of the district and  
12 the assessments for the payment of debt service of obligations  
13 issued or incurred by the district.

14           (b) The board shall annually record in the deed records of  
15 the county a current assessment roll approved by the governing body  
16 of the city.

17           (c) The assessment roll must clearly state that the  
18 assessments in the assessment roll are in addition to the ad valorem  
19 taxes imposed by other taxing units that tax real property in the  
20 district.

21           (d) The district shall generate and implement a program to  
22 provide notification to a prospective purchaser of property in the  
23 district of the assessments that have been approved and are imposed  
24 by the district.

25           Sec. 3885.257. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
26 375.161, Local Government Code, does not apply to the district.

27           Sec. 3885.258. NO IMPACT FEES. The district may not impose

1 an impact fee.

2 Sec. 3885.259. NO AD VALOREM TAX. The district may not  
3 impose an ad valorem tax.

4 [Sections 3885.260-3885.300 reserved for expansion]

5 SUBCHAPTER F. DISSOLUTION

6 Sec. 3885.301. DISSOLUTION BY CITY. (a) The city may  
7 dissolve the district by ordinance.

8 (b) The city may not dissolve the district until:

9 (1) the district's outstanding debt or contractual  
10 obligations have been repaid or discharged; or

11 (2) the city agrees to succeed to the rights and  
12 obligations of the district.

13 Sec. 3885.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

14 (a) If the dissolved district has bonds or other obligations  
15 outstanding secured by and payable from assessments or other  
16 revenue, the city succeeds to the rights and obligations of the  
17 district regarding enforcement and collection of the assessments or  
18 other revenue.

19 (b) The city shall have and exercise all district powers to  
20 enforce and collect the assessments or other revenue to pay:

21 (1) the bonds or other obligations when due and  
22 payable according to their terms; or

23 (2) special revenue or assessment bonds or other  
24 obligations issued by the city to refund the outstanding bonds or  
25 obligations of the district.

26 Sec. 3885.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a)  
27 After the city dissolves the district, the city assumes the

1 obligations of the district, including any bonds or other debt  
2 payable from assessments or other district revenue.

3 (b) If the city dissolves the district, the board shall  
4 transfer ownership of all district property to the city.

5 SECTION 2.02. The Mustang Ranch Municipal Management  
6 District No. 1 initially includes all the territory contained in  
7 the following area:

8 BEING a tract of land located in the COLEMAN WATSON SURVEY,  
9 ABSTRACT NO. 945, Collin County, Texas and being a part of a called  
10 632.051 acre tract of land described in Deed to Twin Eagles, Ltd.  
11 recorded in County Clerk's Document Number 96-0013989, Deed  
12 Records, Collin County, Texas and being a part of a called 12.686  
13 acre tract of land described in Deed to Robert S. Folsom, Trustee of  
14 the Twin Eagles Qualified Personal Residence Trust recorded in  
15 County Clerk's Document Number 95-0093145, Deed Records, Collin  
16 County, Texas and being a part of a called 50.00 acre tract of land  
17 described in Deed to Twin Eagles Ltd. recorded in Volume 4826, Page  
18 2205, Deed Records, Collin County, Texas and being more  
19 particularly described as follows:

20 BEGINNING at a 5/8 inch iron rod found in the North line of  
21 Farm-To-Market Road 1461, a variable width right-of-way, at the  
22 Southwest corner of a called 19.93 acre tract of land described in  
23 Deed to Debra Folsom Jarma and Don M. Jarma recorded in Volume 3790,  
24 Page 267, Deed Records, Collin County, Texas, said point being the  
25 Southeast corner of said 50.00 acre tract;

26 THENCE South 89 degrees 41 minutes 18 seconds West, along the  
27 North line of said Farm-To-Market Road 1461, a distance of 750.84

1 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA"  
2 set for corner, from which a 1/2 inch iron found bears South 76  
3 degrees 31 minutes 14 seconds West, a distance of 2.08 feet;

4       THENCE South 89 degrees 16 minutes 18 seconds West,  
5 continuing long the North line of said Farm-To-Market Road 1461, a  
6 distance of 231.01 feet to a 1/2 inch iron rod with a yellow plastic  
7 cap stamped "DAA" set at the Southwest corner of Lot 30, Block C of  
8 TWELVE OAKS PHASE II, an Addition to Collin County, Texas according  
9 to the Plat thereof recorded in Cabinet P, Slide 486, Map Records,  
10 Collin County, Texas, from which a 1/2 inch iron rod with a yellow  
11 plastic cap stamped "EC&D RPLS 5439" bears South 06 degrees 27  
12 minutes 24 seconds West, a distance of 0.32 feet;

13       THENCE North 00 degrees 54 minutes 55 seconds East, along the  
14 West line of said TWELVE OAKS PHASE II, a distance of 2,206.67 feet  
15 to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set in  
16 the South line of said 632.051 acre tract at the Northeast corner of  
17 Lot 18, Block C of said TWELVE OAKS PHASE II, from which a 1/2 inch  
18 iron rod with a yellow plastic cap stamped "ROOME" bears South 50  
19 degrees 24 minutes 07 seconds West, a distance of 0.44 feet;

20       THENCE South 89 degrees 37 minutes 23 seconds West, along the  
21 North line of said TWELVE OAKS PHASE II, a distance of 2,146.50 feet  
22 to a 3/8 inch iron rod found at the Southwest corner of said 632.051  
23 acre tract;

24       THENCE North 00 degrees 07 minutes 29 seconds East, along the  
25 West line of said 632.051 acre tract, a distance of 1,637.32 feet to  
26 a point for corner in the approximate centerline of Wilson Creek and  
27 in the East line of Lot 5, Block A of WILSON CREEK ESTATES, an

1 Addition to Collin County, Texas according to the Plat thereof  
2 recorded in Cabinet J, Slide 605, Map Records, Collin County,  
3 Texas;

4       THENCE Northerly, along the East line of said WILSON CREEK  
5 ESTATES and the approximate centerline of said Wilson Creek, the  
6 following five (5) courses and distances; North 39 degrees 31  
7 minutes 50 seconds East, a distance of 1.00 feet to a point for  
8 corner; North 14 degrees 09 minutes 54 seconds East, a distance of  
9 67.24 feet to a point for corner; North 01 degrees 45 minutes 24  
10 seconds West, a distance of 113.30 feet to a point for corner; North  
11 08 degrees 43 minutes 39 seconds West, a distance of 137.99 feet to  
12 point for corner; North 02 degrees 14 minutes 13 seconds West, a  
13 distance of 113.37 feet to point at the Southeast corner of WILSON  
14 CREEK ESTATES 2, an Addition to Collin County, Texas according to  
15 the Plat thereof recorded in Cabinet K, Slide 192, Map Records,  
16 Collin County, Texas;

17       THENCE Northerly, along the East line of said WILSON CREEK  
18 ESTATES 2 and the approximate centerline of said Wilson Creek, the  
19 following eight (8) courses and distances; North 15 degrees 56  
20 minutes 43 seconds East, a distance of 284.21 feet to point for  
21 corner; North 27 degrees 49 minutes 29 seconds East, a distance of  
22 53.72 feet to a point for corner; North 13 degrees 03 minutes 17  
23 seconds East, a distance of 109.39 feet to point for corner; North  
24 10 degrees 02 minutes 27 seconds West, a distance of 235.76 feet to  
25 point for corner; North 04 degrees 58 minutes 53 seconds East, a  
26 distance of 56.26 feet to a point for corner; North 05 degrees 12  
27 minutes 56 seconds West, a distance of 121.33 feet to point for

1 corner; North 09 degrees 39 minutes 44 seconds West, a distance of  
2 165.65 feet to point for corner; North 01 degrees 30 minutes 36  
3 seconds East, a distance of 45.98 feet to a point for corner in the  
4 South line of a called 185.094 acre tract of land described as Tract  
5 One in Deed to J. Baxter Brinkman recorded in County Clerk's  
6 Document Number 92-0052450, Deed Records, Collin County, Texas,  
7 from which a 3/4 inch iron rod found bears South 89 degrees 38  
8 minutes 46 seconds West; a distance of 39.22 feet;

9       THENCE North 89 degrees 38 minutes 46 seconds East, along the  
10 common line of said 185.094 acre tract and said 632.051 acre tract,  
11 a distance of 1,947.39 feet to a 1/2 inch iron rod found for corner;

12       THENCE North 00 degrees 14 minutes 27 seconds West, along the  
13 common line of said 185.094 acre tract and said 632.051 acre tract,  
14 a distance of 1,721.69 feet to a 1/2 inch iron rod with a yellow  
15 plastic cap stamped "DAA" set at the Southwest corner of a called  
16 5.384 acre tract of land described as Tract Two in Deed to J. Baxter  
17 Brinkman recorded in County Clerk's Document Number 92-0052450,  
18 Deed Records, Collin County, Texas, from which a 1/2 inch iron rod  
19 found bears South 85 degrees 18 minutes 16 seconds West, a distance  
20 of 1.01 feet;

21       THENCE Easterly, along the common line of said 5.384 acre  
22 tract and said 632.051 acre tract, the following six (6) courses and  
23 distances: North 89 degrees 48 minutes 09 seconds East, a distance  
24 of 2,167.88 feet to a 1/2 inch iron rod with a yellow plastic cap  
25 stamped "COLLIS RPLS 1764" found for corner; North 89 degrees 49  
26 minutes 55 seconds East, a distance of 465.82 feet to a 1/2 inch  
27 iron rod with a yellow plastic cap stamped "DAA" set for corner,



1 from which a 1/2 inch iron rod found bears South 35 degrees 46  
2 minutes 01 seconds West, a distance of 0.39 feet; North 89 degrees  
3 47 minutes 20 seconds East, a distance of 305.39 feet to a 1/2 inch  
4 iron rod found for corner; North 89 degrees 51 minutes 51 seconds  
5 East, a distance of 816.05 feet to a 1/2 inch iron rod with a yellow  
6 plastic cap stamped "DAA" set for corner; South 89 degrees 56  
7 minutes 24 seconds East, a distance of 311.73 feet to a 1/2 inch  
8 iron rod with a yellow plastic cap stamped "DAA" set for corner;  
9 North 89 degrees 42 minutes 42 seconds East, a distance of 330.59  
10 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA"  
11 set at the Northwest corner of a called 1.0000 acre tract of land  
12 described in Deed to Danville Water Supply Corporation recorded in  
13 Volume 1992, Page 738, Deed Records, Collin County, Texas;

14       THENCE South 00 degrees 15 minutes 01 seconds East, along the  
15 common line of said 1.0000 acre tract and said 632.051 acre tract, a  
16 distance of 146.88 feet to a 1/2 inch iron rod found for corner;

17       THENCE North 89 degrees 44 minutes 59 seconds East,  
18 continuing along the common line of said 1.0000 acre tract and said  
19 632.051 acre tract a distance of 299.37 feet to a 1/2 inch iron rod  
20 with a yellow plastic cap stamped "DAA" set for corner in the West  
21 line of Farm-To-Market Road 2478, a variable width right-of-way,  
22 from which a 1/2 inch iron rod found bears South 89 degrees 44  
23 minutes 59 seconds East, a distance of 0.33 feet;

24       THENCE Southerly, along the West line of said Farm-To-Market  
25 Road 2478, the following eight (8) courses and distances: South 04  
26 degrees 07 minutes 13 seconds East, a distance of 113.40 feet to a  
27 wood right-of-way marker found for corner; South 03 degrees 46

1 minutes 13 seconds East, a distance of 525.05 feet to a 1/2 inch  
 2 iron rod found for corner; South 01 degrees 56 minutes 26 seconds  
 3 West, a distance of 100.50 feet to a nail found in wood right-of-way  
 4 marker for corner; South 03 degrees 46 minutes 13 seconds East, a  
 5 distance of 200.00 feet to a 1/2 inch iron rod with a yellow plastic  
 6 cap stamped "DAA" set for corner, from which a wood right-of-way  
 7 marker found bears North 78 degrees 39 minutes 45 seconds West, a  
 8 distance of 0.95 feet; South 09 degrees 28 minutes 51 seconds East,  
 9 a distance of 100.50 feet to a 1/2 inch iron rod with a yellow  
 10 plastic cap stamped "DAA" set for corner; South 03 degrees 46  
 11 minutes 13 seconds East, a distance of 415.90 feet to a wood  
 12 right-of-way marker found for corner at the beginning of a curve to  
 13 the right having a central angle of 03 degrees 41 minutes 00  
 14 seconds, a radius of 5,679.58 feet and a chord bearing and distance  
 15 of South 01 degrees 55 minutes 43 seconds East, 365.06 feet;  
 16 Southerly, along said curve to the right, an arc distance of 365.12  
 17 feet to a wood right-of-way marker found for corner; South 00  
 18 degrees 05 minutes 13 seconds East, a distance of 2,278.15 feet to a  
 19 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the  
 20 Northeast corner of a called 1.000 acre tract of land described in  
 21 Deed to Rhea's Mill Baptist Church recorded in Volume 1745, Page  
 22 773, Deed Records, Collin County, Texas, from which a 1/2 inch  
 23 square pipe found bears South 89 degrees 48 minutes 02 seconds West,  
 24 a distance of 1.07 feet;

25       THENCE South 89 degrees 48 minutes 02 seconds West, a  
 26 distance of 291.81 feet to a 1/2 inch iron rod found at the  
 27 Northwest corner of said Rhea's Mill Baptist Church tract;

1       THENCE South 00 degrees 20 minutes 34 seconds East, a  
2 distance of 150.52 feet to a 1/2 inch iron rod with a yellow plastic  
3 cap stamped "DAA" set for corner in the North line of Lot 4 of  
4 ROLLING MEADOWS ESTATES, an Addition to Collin County, Texas  
5 according to the Plat thereof recorded in Cabinet P, Slide 486, Map  
6 Records, Collin County, Texas;

7       THENCE South 89 degrees 40 minutes 07 seconds West, along the  
8 common line of said ROLLING MEADOWS ESTATES and said 632.051 acre  
9 tract, passing at a distance of 1,509.89 feet a 1 inch iron rod  
10 found at the Northwest corner of said ROLLING MEADOWS ESTATES and  
11 the Northeast corner of a called 81.104 acre tract described in Deed  
12 to Debra F. Jarma and Don M. Jarma recorded in County Clerk's  
13 Document Number 95-0092267, Deed Records, Collin County, Texas and  
14 continuing along the common line of said 81.104 acre tract and said  
15 632.051 acre tract, in all for a total distance of 2,209.89 feet to  
16 a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for  
17 corner;

18       THENCE South 00 degrees 52 minutes 41 seconds West, along the  
19 common line of said 81.104 acre tract and said 632.051 acre tract, a  
20 distance of 421.13 feet to a 1/2 inch iron rod with a yellow plastic  
21 cap stamped "DAA" set for corner;

22       THENCE South 89 degrees 27 minutes 07 seconds West,  
23 continuing along the common line of said 81.104 acre tract and said  
24 632,051 acre tract, a distance of 1,159.85 feet to a 1/2 inch iron  
25 square pipe found at the Northwest corner of said 81.104 acre tract  
26 and the Northeast corner of a called 11.252 acre tract of land  
27 described in Deed to Debra F. Jarma and Don M. Jarma recorded in

1 Volume 4973, Page 3420, Deed Records, Collin County, Texas;

2       THENCE South 89 degrees 24 minutes 47 seconds West, along the  
3 common line of said 11.252 acre tract and said 632.051 acre tract, a  
4 distance of 281.99 feet to a 1/2 inch iron rod with a yellow plastic  
5 cap stamped "DAA" set at the Northwest corner of said 11.252 acre  
6 tract;

7       THENCE Southerly, along the West line of said 11.252 acre  
8 tract, the following six (6) courses and distances: South 00  
9 degrees 55 minutes 08 seconds West, a distance of 420.00 feet to a  
10 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for  
11 corner; South 14 degrees 29 minutes 02 seconds East, a distance of  
12 241.26 feet to a 1/2 inch iron rod with a yellow plastic cap stamped  
13 "DAA" set for corner; South 00 degrees 55 minutes 08 seconds West, a  
14 distance of 320.00 feet to a 1/2 inch iron rod with a yellow plastic  
15 cap stamped "DAA" set for corner; South 12 degrees 45 minutes 08  
16 seconds West, a distance of 449.55 feet to a 1/2 inch iron rod with a  
17 yellow plastic cap stamped "DAA" set for corner; South 19 degrees 10  
18 minutes 32 seconds East, a distance of 436.57 feet to a 1/2 inch  
19 iron rod with a yellow plastic cap stamped "DAA" set for corner;  
20 South 33 degrees 22 minutes 42 seconds East, a distance of 288.40  
21 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA"  
22 set for corner in the West line of said 19.93 acre tract;

23       THENCE South 01 degrees 56 minutes 48 seconds West, along the  
24 West line of said 19.93 acre tract, a distance of 139.88 feet to the  
25 POINT OF BEGINNING and containing 681.999 acres of land, more or  
26 less.

27       SECTION 2.03. (a) The legal notice of the intention to

1 introduce this article, setting forth the general substance of this  
2 article, has been published as provided by law, and the notice and a  
3 copy of this article have been furnished to all persons, agencies,  
4 officials, or entities to which they are required to be furnished  
5 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6 Government Code.

7 (b) The governor, one of the required recipients, has  
8 submitted the notice and article to the Texas Commission on  
9 Environmental Quality.

10 (c) The Texas Commission on Environmental Quality has filed  
11 its recommendations relating to this article with the governor,  
12 lieutenant governor, and speaker of the house of representatives  
13 within the required time.

14 (d) All requirements of the constitution and laws of this  
15 state and the rules and procedures of the legislature with respect  
16 to the notice, introduction, and passage of this article have been  
17 fulfilled and accomplished.

18 SECTION 2.04. This article takes effect September 1, 2011.

19 ARTICLE 3. CASE CREEK MUNICIPAL UTILITY DISTRICT NO. 1 OF GRAYSON  
20 COUNTY

21 SECTION 3.01. Subtitle F, Title 6, Special District Local  
22 Laws Code, is amended by adding Chapter 8249 to read as follows:

23 CHAPTER 8249. CASE CREEK MUNICIPAL UTILITY DISTRICT NO. 1 OF  
24 GRAYSON COUNTY

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 8249.001. DEFINITIONS. In this chapter:

27 (1) "Board" means the district's board of directors.

1           (2) "Commission" means the Texas Commission on  
2 Environmental Quality.

3           (3) "Director" means a board member.

4           (4) "District" means the Case Creek Municipal Utility  
5 District No. 1 of Grayson County.

6           Sec. 8249.002. NATURE OF DISTRICT. The district is a  
7 municipal utility district created under Section 59, Article XVI,  
8 Texas Constitution.

9           Sec. 8249.003. CONFIRMATION AND DIRECTORS' ELECTION  
10 REQUIRED. The temporary directors shall hold an election to  
11 confirm the creation of the district and to elect five permanent  
12 directors as provided by Section 49.102, Water Code.

13           Sec. 8249.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
14 The district is created to serve a public purpose and benefit.

15           (b) The district is created to accomplish the purposes of:

16           (1) a municipal utility district as provided by  
17 general law and Section 59, Article XVI, Texas Constitution; and

18           (2) Section 52, Article III, Texas Constitution, that  
19 relate to the construction, acquisition, improvement, operation,  
20 or maintenance of macadamized, graveled, or paved roads, or  
21 improvements, including storm drainage, in aid of those roads.

22           Sec. 8249.005. INITIAL DISTRICT TERRITORY. (a) The  
23 district is initially composed of the territory described by  
24 Section 3.02 of the Act enacting this chapter.

25           (b) The boundaries and field notes contained in Section 3.02  
26 of the Act enacting this chapter form a closure. A mistake made in  
27 the field notes or in copying the field notes in the legislative

process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes  
for which the district is created or to pay the principal of and  
interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

[Sections 8249.006-8249.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8249.051. GOVERNING BODY; TERMS. (a) The district is  
governed by a board of five elected directors.

(b) Except as provided by Section 8249.052, directors serve  
staggered four-year terms.

Sec. 8249.052. TEMPORARY DIRECTORS. (a) On or after  
September 1, 2011, the owner or owners of a majority of the assessed  
value of the real property in the district may submit a petition to  
the commission requesting that the commission appoint as temporary  
directors the five persons named in the petition. The commission  
shall appoint as temporary directors the five persons named in the  
petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under  
Section 8249.003; or

(2) September 1, 2015.

(c) If permanent directors have not been elected under  
Section 8249.003 and the terms of the temporary directors have  
expired, successor temporary directors shall be appointed or

1 reappointed as provided by Subsection (d) to serve terms that  
2 expire on the earlier of:

3 (1) the date permanent directors are elected under  
4 Section 8249.003; or

5 (2) the fourth anniversary of the date of the  
6 appointment or reappointment.

7 (d) If Subsection (c) applies, the owner or owners of a  
8 majority of the assessed value of the real property in the district  
9 may submit a petition to the commission requesting that the  
10 commission appoint as successor temporary directors the five  
11 persons named in the petition. The commission shall appoint as  
12 successor temporary directors the five persons named in the  
13 petition.

14 [Sections 8249.053-8249.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 8249.101. GENERAL POWERS AND DUTIES. The district has  
17 the powers and duties necessary to accomplish the purposes for  
18 which the district is created.

19 Sec. 8249.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
20 DUTIES. The district has the powers and duties provided by the  
21 general law of this state, including Chapters 49 and 54, Water Code,  
22 applicable to municipal utility districts created under Section 59,  
23 Article XVI, Texas Constitution.

24 Sec. 8249.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
25 52, Article III, Texas Constitution, the district may design,  
26 acquire, construct, finance, issue bonds for, improve, operate,  
27 maintain, and convey to this state, a county, or a municipality for



1 operation and maintenance macadamized, graveled, or paved roads, or  
2 improvements, including storm drainage, in aid of those roads.

3 Sec. 8249.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
4 project must meet all applicable construction standards, zoning and  
5 subdivision requirements, and regulations of each municipality in  
6 whose corporate limits or extraterritorial jurisdiction the road  
7 project is located.

8 (b) If a road project is not located in the corporate limits  
9 or extraterritorial jurisdiction of a municipality, the road  
10 project must meet all applicable construction standards,  
11 subdivision requirements, and regulations of each county in which  
12 the road project is located.

13 (c) If the state will maintain and operate the road, the  
14 Texas Transportation Commission must approve the plans and  
15 specifications of the road project.

16 Sec. 8249.105. COSTS OF ROAD PROJECT. The district shall  
17 bear the cost of maintaining, improving, operating, and repairing a  
18 road located in the district and authorized by Section 8249.103 in  
19 accordance with all applicable ordinances and rules of the  
20 political subdivision authorized to exercise jurisdiction over the  
21 road, regardless of whether the district conveys the road to this  
22 state, a county, or a municipality.

23 Sec. 8249.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
24 district may not exercise the power of eminent domain outside the  
25 district to acquire a site or easement for:

- 26 (1) a road project authorized by Section 8249.103; or  
27 (2) a recreational facility as defined by Section

1 49.462, Water Code.

2 Sec. 8249.107. LIMITATION ON WATER SUPPLY AND WASTEWATER  
3 SERVICES; USE OF DISTRICT FACILITIES BY TWO WAY SPECIAL UTILITY  
4 DISTRICT. (a) The district may not act as a retail provider of  
5 water or wastewater services in the district except as provided by  
6 this section.

7 (b) Except as provided by Subsection (c), the district shall  
8 convey or otherwise assign the district's water supply facilities  
9 and wastewater facilities to Two Way Special Utility District.

10 (c) If Two Way Special Utility District refuses or is unable  
11 to provide water supply or wastewater service to customers located  
12 in the district, the district may retain the necessary facilities  
13 and provide water supply or wastewater service, as applicable, to  
14 those customers.

15 [Sections 8249.108-8249.150 reserved for expansion]

16 SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

17 Sec. 8249.151. DIVISION OF DISTRICT; PREREQUISITES. The  
18 district may be divided into two or more new districts only if the  
19 district:

20 (1) has no outstanding bonded debt; and

21 (2) is not imposing ad valorem taxes.

22 Sec. 8249.152. LAW APPLICABLE TO NEW DISTRICT. This  
23 chapter applies to any new district created by division of the  
24 district, and a new district has all the powers and duties of the  
25 district.

26 Sec. 8249.153. LIMITATION ON AREA OF NEW DISTRICT. A new  
27 district created by the division of the district may not, at the

1 time the new district is created, contain any land outside the area  
2 described by Section 3.02 of the Act enacting this chapter.

3 Sec. 8249.154. DIVISION PROCEDURES. (a) The board, on its  
4 own motion or on receipt of a petition signed by the owner or owners  
5 of a majority of the assessed value of the real property in the  
6 district, may adopt an order dividing the district.

7 (b) The board may adopt an order dividing the district  
8 before or after the date the board holds an election under Section  
9 8249.003 to confirm the district's creation.

10 (c) An order dividing the district must:

11 (1) name each new district;  
12 (2) include the metes and bounds description of the  
13 territory of each new district;

14 (3) appoint temporary directors for each new district;  
15 and

16 (4) provide for the division of assets and liabilities  
17 between the new districts.

18 (d) On or before the 30th day after the date of adoption of  
19 an order dividing the district, the district shall file the order  
20 with the commission and record the order in the real property  
21 records of each county in which the district is located.

22 Sec. 8249.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a)  
23 A new district created by the division of the district shall hold a  
24 confirmation and directors' election as required by Section  
25 8249.003.

26 (b) If the creation of the new district is confirmed, the  
27 new district shall provide the election date and results to the

1 commission.

2 Sec. 8249.156. TAX OR BOND ELECTION. Before a new district  
3 created by the division of the district may impose a maintenance tax  
4 or issue bonds payable wholly or partly from ad valorem taxes, the  
5 new district must hold an election as required by this chapter to  
6 obtain voter approval.

7 [Sections 8249.157-8249.200 reserved for expansion]

8 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

9 Sec. 8249.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
10 district may issue, without an election, bonds and other  
11 obligations secured by:

12 (1) revenue other than ad valorem taxes; or

13 (2) contract payments described by Section 8249.203.

14 (b) The district must hold an election in the manner  
15 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
16 before the district may impose an ad valorem tax or issue bonds  
17 payable from ad valorem taxes.

18 (c) The district may not issue bonds payable from ad valorem  
19 taxes to finance a road project unless the issuance is approved by a  
20 vote of a two-thirds majority of the district voters voting at an  
21 election held for that purpose.

22 Sec. 8249.202. OPERATION AND MAINTENANCE TAX. (a) If  
23 authorized at an election held under Section 8249.201, the district  
24 may impose an operation and maintenance tax on taxable property in  
25 the district in accordance with Section 49.107, Water Code.

26 (b) The board shall determine the tax rate. The rate may not  
27 exceed the rate approved at the election.

1       Sec. 8249.203. CONTRACT TAXES. (a) In accordance with  
2 Section 49.108, Water Code, the district may impose a tax other than  
3 an operation and maintenance tax and use the revenue derived from  
4 the tax to make payments under a contract after the provisions of  
5 the contract have been approved by a majority of the district voters  
6 voting at an election held for that purpose.

7       (b) A contract approved by the district voters may contain a  
8 provision stating that the contract may be modified or amended by  
9 the board without further voter approval.

10       [Sections 8249.204-8249.250 reserved for expansion]

11       SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

12       Sec. 8249.251. AUTHORITY TO ISSUE BONDS AND OTHER  
13 OBLIGATIONS. The district may issue bonds or other obligations  
14 payable wholly or partly from ad valorem taxes, impact fees,  
15 revenue, contract payments, grants, or other district money, or any  
16 combination of those sources, to pay for any authorized district  
17 purpose.

18       Sec. 8249.252. TAXES FOR BONDS. At the time the district  
19 issues bonds payable wholly or partly from ad valorem taxes, the  
20 board shall provide for the annual imposition of a continuing  
21 direct ad valorem tax, without limit as to rate or amount, while all  
22 or part of the bonds are outstanding as required and in the manner  
23 provided by Sections 54.601 and 54.602, Water Code.

24       Sec. 8249.253. BONDS FOR ROAD PROJECTS. At the time of  
25 issuance, the total principal amount of bonds or other obligations  
26 issued or incurred to finance road projects and payable from ad  
27 valorem taxes may not exceed one-fourth of the assessed value of the

1 real property in the district.

2         SECTION 3.02. The Case Creek Municipal Utility District No.  
3 1 of Grayson County initially includes all the territory contained  
4 in the following area:

5 TRACT 1

6 BEING A 734.245 ACRE TRACT OF LAND SITUATED IN THE PATSY KITCHENS  
7 SURVEY, ABSTRACT NO. 666, THE RACHEL HANNING SURVEY, ABSTRACT NO.  
8 547, THE JAMES THOMAS SURVEY, ABSTRACT NO. 1235, THE B.B.B. & C.R.R.  
9 SURVEY, ABSTRACT NO. 167 AND THE H.L. NOLAND SURVEY, ABSTRACT NO.  
10 1550, GRAYSON COUNTY, TEXAS AND BEING ALL OF THE FOLLOWING TRACTS OF  
11 LAND, THAT TRACT OF LAND DESCRIBED IN DEED TO BLUE ISLAND PARTNERS,  
12 LTD., RECORDED IN VOLUME 4076, PAGE 824, THAT TRACT OF LAND  
13 DESCRIBED IN DEED TO THE NICID LIMITED PARTNERSHIP, RECORDED IN  
14 VOLUME 3734, PAGE 246 AND THAT TRACT OF LAND DESCRIBED IN DEED TO  
15 202 BOREN ROAD PARTNERS, LLC, RECORDED IN VOLUME 4223, PAGE 252 OF  
16 THE OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS. SAID 734.245  
17 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE  
18 COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002),  
19 DETERMINED BY GPS OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND  
20 JULIAN DAY 259, 2004, CALCULATED FROM COLLIN CORS ARP (PID-DF8982)  
21 AND DENTON CORS ARP (PID-DF8986),

22 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:  
23 BEGINNING AT A 60D NAIL FOUND FOR THE NORTHEAST CORNER OF SAID BLUE  
24 ISLAND TRACT, SAID NAIL BEING THE SOUTHEAST CORNER OF A TRACT AS  
25 DESCRIBED IN DEED TO JERRY TODD, FILED JUNE 27, 1977, AND RECORDED  
26 IN VOLUME 1392 PAGE 797 OF SAID DEED RECORDS, SAID NAIL ALSO BEING  
27 IN THE WEST LINE OF A TRACT AS DESCRIBED IN DEED TO JEFF JOHNSON AND

1 WIFE CARYANN JOHNSON, FILED DECEMBER 05, 2002, AND RECORDED IN  
2 VOLUME 3363, PAGE 624 OF DEED RECORDS, GRAYSON COUNTY, TEXAS, SAID  
3 NAIL ALSO BEING AT THE INTERSECTION OF DAVIS ROAD AND MACOMB  
4 CEMETERY ROAD;  
5 THENCE, SOUTH 00 DEGREES 41 MINUTES 37 SECONDS EAST, WITH THE EAST  
6 LINE OF SAID BLUE ISLAND TRACT, AND WITH THE WEST LINE OF SAID  
7 JOHNSON TRACT, AND ALONG SAID DAVIS ROAD, A DISTANCE OF 1738.20 FEET  
8 TO A 1/2 INCH STEEL SQUARE TUBING FOUND FOR AN ELL CORNER OF SAID  
9 BLUE ISLAND TRACT, AND THE SOUTHWEST CORNER OF SAID JOHNSON TRACT,  
10 AND AT A TURN IN SAID ROAD;  
11 THENCE, NORTH 88 DEGREES 46 MINUTES 03 SECONDS EAST, WITH A NORTH  
12 LINE OF SAID BLUE ISLAND TRACT, AND WITH THE SOUTH LINE OF SAID  
13 JOHNSON TRACT, AND ALONG SAID DAVIS ROAD, A DISTANCE OF 620.31 FEET  
14 TO A 1/2 INCH STEEL REBAR FOUND FOR THE MOST EASTERLY NORTHEAST  
15 CORNER OF SAID BLUE ISLAND TRACT, SAID REBAR BEING ON THE SOUTH LINE  
16 OF SAID JOHNSON TRACT, SAID REBAR BEING THE NORTHWEST CORNER OF A  
17 TRACT AS DESCRIBED IN DEED TO THE NICID LIMITED PARTNERSHIP, FILED  
18 SEPTEMBER 22, 2004, AND RECORDED IN VOLUME 3734, PAGE 246, OFFICIAL  
19 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID REBAR ALSO BEING IN  
20 SAID ROAD;  
21 THENCE, NORTH 89 DEGREES 31 MINUTES 32 SECONDS EAST, WITH THE NORTH  
22 LINE OF SAID NICID TRACT, AND IN DAVIS ROAD, A DISTANCE OF 2414.87  
23 FEET TO A 1/2 INCH STEEL SQUARE TUBING FOUND, SAID TUBING BEING THE  
24 NORTHEAST CORNER OF SAID NICID TRACT, AND THE NORTHWEST CORNER OF A  
25 TRACT AS DESCRIBED IN DEED TO DIAMOND H RANCH, LP, AND RECORDED IN  
26 VOLUME 4052, PAGE 184, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY,  
27 TEXAS, SAID TUBING ALSO BEING IN DAVIS ROAD;

1 THENCE, SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST, WITH THE EAST  
2 LINE OF SAID NICID TRACT, AND THE WEST LINE OF SAID DIAMOND H TRACT,  
3 AND PASSING AT 20.34 FEET A PIPE FENCE CORNER POST ON THE SOUTH SIDE  
4 OF SAID DAVIS ROAD, AND CONTINUING ON SAID COURSE FOR A TOTAL  
5 DISTANCE OF 2645.90 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC  
6 CAP STAMPED "CARTER BURGESS" SET FOR AN ELL CORNER OF SAID NICID AND  
7 DIAMOND H TRACTS;  
8 THENCE, SOUTH 89 DEGREES 24 MINUTES 16 SECONDS WEST, WITH THE SOUTH  
9 LINE OF SAID NICID TRACT, A DISTANCE OF 989.63 FEET TO A 5/8 INCH  
10 IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN  
11 ELL CORNER OF SAID NICID AND DIAMOND H TRACT;  
12 THENCE, SOUTH 00 DEGREES 31 MINUTES 07 SECONDS EAST, A DISTANCE OF  
13 614.83 FEET TO A 1/2 INCH STEEL REBAR FOUND FOR A SOUTHEAST CORNER  
14 OF SAID NICID AND AN ELL CORNER OF SAID DIAMOND H TRACT;  
15 THENCE, SOUTH 89 DEGREES 38 MINUTES 58 SECONDS WEST, WITH THE  
16 APPARENT SOUTH LINE OF SAID NICID TRACT, A DISTANCE OF 2189.66 FEET  
17 TO A POINT CORNER;  
18 THENCE, SOUTH 00 DEGRESS 58 MINUTES 28 SECONDS WEST, PASSING AT A  
19 DISTANCE OF 14.49 FEET A 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER  
20 OF SAID 202 BOREN ROAD PARTNERS TRACT AND THE NORTHWEST CORNER OF  
21 THAT TRACT OF LAND DESCRIBED IN DEED TO DEWEY MCGILL, JR., RECORDED  
22 IN VOLUME 2426, PAGE 836, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY,  
23 TEXAS, AND CONTINUING WITH THE EAST LINE OF SAID 202 BOREN ROAD  
24 PARTNERS TRACT, THE WEST LINE OF SAID MCGILL TRACT, CROSSING THE  
25 SOUTH LINE OF SAID NOLAND SURVEY AND THE NORTH LINE OF SAID B.B.B. &  
26 C.R.R. SURVEY, AND CONTINUING FOR A TOTAL DISTANCE OF 2317.78 FEET  
27 TO A 1/2 INCH IRON ROD FOUND ON THE NORTH LINE OF THAT TRACT OF LAND



1 DESCRIBED IN DEED TO DIANE S. MORGAN, RECORDED IN VOLUME 3368, PAGE  
2 355, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
3 THENCE, NORTH 88 DEGREES 25 MINUTES 06 SECONDS WEST, WITH THE NORTH  
4 LINES OF SAID DIANE MORGAN TRACT, THE NORTH LINE OF A 20.000 ACRE  
5 TRACT OF LAND CONVEYED TO GLEN D. MORGAN BY DEED DATED APRIL 11,  
6 2000, RECORDED IN VOLUME 2914, PAGE 61, OFFICIAL PUBLIC RECORDS,  
7 GRAYSON COUNTY, TEXAS AND THE SOUTH LINE OF SAID 202 BOREN ROAD  
8 PARTNERS TRACT, FOR A DISTANCE OF 1627.84 FEET TO A 60D NAIL FOUND  
9 AT THE SOUTHWEST CORNER OF BOTH SAID B.B.B. & C.R.R. SURVEY AND THE  
10 SOUTHEAST CORNER OF SAID THOMAS SURVEY, FOR THE MOST SOUTHERLY  
11 SOUTHWEST CORNER OF SAID 202 BOREN ROAD PARTNERS TRACT AND THE  
12 SOUTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN DEED TO TOM W.  
13 PINGLETON, DATED AUGUST 15, 2006, RECORDED IN VOLUME 4105, PAGE  
14 811, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS,  
15 THENCE, NORTH 01 DEGREES 40 MINUTES 41 SECONDS EAST, WITH THE WEST  
16 LINES OF BOTH SAID B.B.B. & C.R.R. SURVEY, AND SAID 202 BOREN ROAD  
17 PARTNERS TRACT AND THE EAST LINES OF THE FOLLOWING, SAID THOMAS  
18 SURVEY, TRACT 1 DESCRIBED IN DEED TO JAMES DOUGLAS SCHULTZ,  
19 RECORDED IN VOLUME 1646, PAGE 617 DEED RECORDS, GRAYSON COUNTY,  
20 TEXAS, SAID PINGLETON TRACT, THAT TRACT OF LAND DESCRIBED IN DEED TO  
21 GINGER BLALOCK, DATED AUGUST 28, 1998, RECORDED IN VOLUME 2695, PAGE  
22 380, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, THAT TRACT OF  
23 LAND DESCRIBED IN DEED TO JAMES C. BLAKE, ET UX, DATED OCTOBER 9,  
24 1998, RECORDED IN VOIUME 2709, PAGE 366, OFFICIAL PUBLIC RECORDS,  
25 GRAYSON COUNTY, TEXAS, THAT TRACT OF LAND DESCRIBED IN DEED TO  
26 MICHAEL W. WALKER, AND MONIQUE R. WALKER, DATED DECEMBER 22, 2004,  
27 RECORDED IN VOLUME 3790, PAGE 348, OFFICIAL PUBLIC RECORDS, GRAYSON

1 COUNTY, TEXAS AND THAT TRACT OF LAND DESCRIBED IN DEED TO NANCY  
2 SUSAN PARKER, DATED DECEMBER 1, 1993, RECORDED IN VOLUME 2306, PAGE  
3 433, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS FOR A DISTANCE  
4 OF 2132.79 FEET TO A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER  
5 OF SAID PARKER TRACT AT AN ELL CORNER OF SAID 202 BOREN ROAD  
6 PARTNERS TRACT;  
7 THENCE, NORTH 86 DEGRESS 41 MINUTES 55 SECONDS WEST, WITH THE NORTH  
8 LINE OF SAID PARKER TRACT, AND A SOUTH LINE OF SAID 202 BOREN ROAD  
9 PARTNERS TRACT, A DISTANCE OF 1332.93 FEET TO A PK NAIL FOUND FOR  
10 THE NORTHWEST CORNER OF SAID PARKER TRACT IN THE EAST LINE OF THAT  
11 TRACT OF LAND DESCRIBED IN DEED TO MYRNA RHEUDASIL, INDIVIDUALLY BY  
12 DEED DATED APRIL 21, 1992, RECORDED IN VOLUME 2208, PAGE 492,  
13 OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS IN THE CENTER OF A  
14 PUBLIC ROAD KNOWN AS BOREN ROAD;  
15 THENCE NORTH 01 DEGREES, 59 MINUTES 16 SECONDS EAST, WITH THE CENTER  
16 OF SAID BOREN ROAD, THE WEST LINE OF SAID 202 BOREN ROAD PARTNERS  
17 TRACT, THE EAST LINE OF SAID RHEUDASIL TRACT FOR A DISTANCE OF  
18 411.44 FEET TO A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF  
19 SAID RHEUDASIL TRACT, ON THE NORTH LINE OF SAID THOMAS SURVEY, THE  
20 SOUTH LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN  
21 ROAD PARTNERS TRACT;  
22 THENCE, NORTH 88 DEGRESS 28 MINUTES 34 SECONDS WEST, WITH THE NORTH  
23 LINE OF BOTH SAID THOMAS SURVEY, AND SAID RHEUDASIL TRACT, THE SOUTH  
24 LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD  
25 PARTNERS TRACT, CONTINUING ALONG SAID BOREN ROAD, FOR A DISTANCE OF  
26 1333.90 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED  
27 "CARTER BURGESS" SET AT THE SOUTHWEST CORNER OF BOTH SAID RACHEL

1 HANNING SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT, THE  
2 SOUTHEAST CORNER OF THE JAMES M. THOMAS SURVEY, ABSTRACT NO. 1212,  
3 THE MOST SOUTHERLY SOUTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED  
4 IN DEED TO CALVIN BLEDSOE, RECORDED IN VOLUME 2546, PAGE 224,  
5 OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
6 THENCE, NORTH 01 DEGRESS 36 MINUTES 58 SECONDS EAST, WITH THE WEST  
7 LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD  
8 PARTNERS TRACT, THE EAST LINE OF SAID JAMES THOMAS SURVEY, ABST. NO.  
9 1212, AND SAID BLEDSOE TRACT, FOR A DISTANCE OF 1595.82 FEET TO A  
10 1/2 INCH IRON ROD CAPPED "COX 4577" FOUND AT THE NORTHWEST CORNER OF  
11 SAID 202 BOREN ROAD PARTNERS TRACT, THE MOST WESTERLY SOUTHWEST  
12 CORNER OF A 300.43 ACRE TRACT OF LAND DESCRIBED IN DEED TO BLUE  
13 ISLAND PARTNERS, LTD. BY DEED DATED JUNE 28, 2006, RECORDED IN  
14 VOLUME 4076, PAGE 824, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY,  
15 TEXAS;  
16 THENCE, NORTH 01 DEGREES 26 MINUTES 55 SECONDS EAST, WITH THE WEST  
17 LINE OF SAID BLUE ISLAND TRACT, AND WITH THE EAST LINE OF SAID  
18 BLEDSOE TRACT, A DISTANCE OF 1631.30 FEET TO A 1/2 INCH IRON ROD  
19 CAPPED "COX 4577" FOUND FOR THE WESTERN MOST NORTHWEST CORNER OF  
20 BLUE ISLAND TRACT, AND THE NORTHEAST CORNER OF SAID BLEDSOE TRACT;  
21 THENCE, NORTH 89 DEGREES 27 MINUTES 39 SECONDS EAST, WITH A NORTH  
22 LINE OF SAID BLUE ISLAND TRACT, A DISTANCE OF 1676.04 FEET TO A 5/8  
23 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET  
24 FOR AN ELL CORNER OF SAID BLUE ISLAND TRACT, AND THE SOUTHEAST  
25 CORNER OF A TRACT AS DESCRIBED IN DEED TO NANCY SUSAN PARKER, FILED  
26 SEPTEMBER 15, 1993, AND RECORDED IN VOLUME 2306 PAGE 433, OFFICIAL  
27 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

1 THENCE, NORTH 00 DEGREES 18 MINUTES 02 SECONDS WEST, WITH THE WEST  
2 LINE OF SAID BLUE ISLAND TRACT, AND WITH THE EAST LINE OF SAID  
3 PARKER TRACT, A DISTANCE OF 1411.57 FEET TO A 5/8 INCH IRON ROD WITH  
4 YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHWEST  
5 CORNER OF SAID BLUE ISLAND TRACT, SAID IRON ROD BEING THE NORTHEAST  
6 CORNER OF SAID PARKER TRACT, SAID IRON ROD ALSO BEING ON THE SOUTH  
7 LINE OF SAID BLEDSOE TRACT, SAID IRON ROD BEING IN SAID MACOMB  
8 CEMETERY ROAD;

9 THENCE, SOUTH 88 DEGREES 57 MINUTES 45 SECONDS EAST, WITH THE NORTH  
10 LINE OF SAID BLUE ISLAND TRACT, ALONG SAID ROAD, PASSING THE  
11 SOUTHEAST CORNER OF SAID BLEDSOE TRACT, AND THE SOUTHWEST CORNER OF  
12 SAID TODD TRACT, AND CONTINUING ALONG SAID COURSE, A DISTANCE OF  
13 2597.18 FEET TO THE POINT OF BEGINNING AND CONTAINING 734.245 ACRES  
14 OF LAND, MORE OR LESS.

15 TRACT 2

16 BEING A 558.197 ACRE TRACT OF LAND SITUATED IN THE BURK TRAMMEL  
17 SURVEY, ABSTRACT NUMBER 1229, GRAYSON COUNTY, TEXAS, SAID 558.132  
18 ACRE TRACT BEING COMPRISED BY THE TOTAL OF 6 TRACTS OF LAND RECORDED  
19 IN THE OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF  
20 LAND DESCRIBED IN A DEED TO W.P. PELPHREY AND C.F. PELPHREY AS  
21 RECORDED IN VOLUME 205, PAGE 591, DEED RECORDS, GRAYSON COUNTY,  
22 TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO W.P. PELPHREY AS  
23 RECORDED IN VOLUME 234, PAGE 113, DEED RECORDS, GRAYSON COUNTY,  
24 TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO A.T. PELPHREY AS  
25 RECORDED IN VOLUME 129, PAGE 171, DEED RECORDS, GRAYSON COUNTY,  
26 TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO JACK M. DECORDOVA AND  
27 WIFE FRANCES M. DECORDOVA AS RECORDED IN VOLUME 1280, PAGE 29, DEED

1 RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED  
2 TO C.F. PELPHREY AS RECORDED IN VOLUME 550, PAGE 399, DEED RECORDS,  
3 GRAYSON COUNTY, TEXAS, AND A TRACT OF LAND DESCRIBED IN A DEED TO  
4 W.P. PELPHREY AS RECORDED IN VOLUME 234, PAGE 113, DEED RECORDS,  
5 GRAYSON COUNTY, TEXAS, SAID 558.197 ACRE TRACT WITH BEARING BASIS  
6 BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL  
7 ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS  
8 OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004,  
9 CALCULATED FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP  
10 (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS  
11 AS FOLLOWS:

12 BEGINNING AT A P.K. NAIL SET FOR THE NORTHWEST CORNER OF SAID W.P.  
13 PELPHREY AND C.F. PELPHREY TRACT, SAME POINT BEING IN THE  
14 APPROXIMATE INTERSECTION OF SOUTHMAYD ROAD (AN APPARENT  
15 PERSCRIPTIVE RIGHT OF WAY) WITH MCGEEHE ROAD (AN APPARENT  
16 PERSCRIPTIVE RIGHT OF WAY);

17 THENCE, SOUTH 88 DEGREES 22 MINUTES 04 SECONDS EAST, IN SAID  
18 SOUTHMAYD ROAD, A DISTANCE OF 2563.72 FEET TO A P.K. NAIL FOUND FOR  
19 THE NORTHWEST CORNER OF THE AFOREMENTIONED W.P. PELPHREY TRACT  
20 DESCRIBED IN VOLUME 234 AT PAGE 113, DEED RECORDS, GRAYSON COUNTY,  
21 TEXAS FOR AN ANGLE POINT;

22 THENCE, SOUTH 88 DEGREES 29 MINUTES 07 SECONDS EAST, CONTINUING IN  
23 SAID ROAD, FOR A DISTANCE OF 1926.86 FEET TO A P.K. NAIL SET FOR THE  
24 NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT AND THE NORTHWEST  
25 CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN A DEED TO GLEN D.  
26 MORGAN AS RECORDED IN VOLUME 2752, PAGE 321, OFFICIAL PUBLIC  
27 RECORDS, GRAYSON COUNTY, TEXAS

1 THENCE, SOUTH 00 DEGREES 58 MINUTES 51 SECONDS WEST, WITH THE WEST  
2 LINE OF SAID MORGAN TRACT AND ALONG A FENCE LINE AT A DISTANCE  
3 3314.73 PASSING A 1/2" IRON ROD FOR THE SOUTHWEST CORNER OF SAID  
4 MORGAN TRACT, THE SAME BEING THE NORTHWEST CORNER OF THAT CERTAIN  
5 TRACT OF LAND DESCRIBED IN A DEED TO LOY RODERICK MAYFIELD AS  
6 RECORDED IN VOLUME 2889, PAGE 672 OF THE OFFICIAL PUBLIC RECORDS,  
7 GRAYSON COUNTY, TEXAS AND WITH THE WEST LINE OF SAID MAYFIELD TRACT  
8 FOR A TOTAL DISTANCE 5469.03 FEET TO A 5/8" IRON ROD WITH YELLOW  
9 PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER THE SAME BEING  
10 THE SOUTHEAST CORNER OF THE AFOREMENTIONED JACK M. DECORDOVA TRACT;  
11 THENCE, NORTH 88 DEGREES 58 MINUTES 51 SECONDS WEST, WITH THE SOUTH  
12 LINE OF SAID JACK M. DECORDOVA TRACT, IN BATES ROAD (AN APPARENT  
13 PERSCRIPTIVE RIGHT OF WAY) FOR A DISTANCE OF 2596.11 FEET TO A 1/2"  
14 CAPPED IRON ROD FOUND STAMPED "SARTIN" FOR CORNER IN THE EAST LINE  
15 OF THAT CERTAIN TRACT OF LAND DESCRIBED IN A DEED TO CHALLENGE MOTOR  
16 SPORTS AS RECORDED IN VOLUME 4224, PAGE 225, OFFICIAL PUBLIC  
17 RECORDS, GRAYSON COUNTY, TEXAS;  
18 THENCE, NORTH 00 DEGREES 40 MINUTES 14 SECONDS WEST, AT TIMES WITHIN  
19 SAID BATES ROAD, A DISTANCE OF 248.68 FEET A 5/8" IRON ROD WITH  
20 YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER AND  
21 BEING THE SOUTHEAST CORNER OF THE AFOREMENTIONED C.F. PELPHREY  
22 TRACT;  
23 THENCE, NORTH 88 DEGREES 23 MINUTES 47 SECONDS WEST, WITH THE SOUTH  
24 LINE OF SAID C.F. PHELPHREY TRACT AND GENERALLY ALONG SAID BATES  
25 ROAD A DISTANCE OF 1944.93 FEET TO A P.K. NAIL SET FOR CORNER AT THE  
26 INTERSECTION OF SAID BATES ROAD WITH RICE ROAD (AN APPARENT  
27 PERSCRIPTIVE RIGHT OF WAY) THE SAME BEING THE SOUTHWEST CORNER OF

1 SAID C.F. PELPHREY TRACT;

2 THENCE NORTH 01 DEGREES 36 MINUTES 42 SECONDS EAST, WITH THE WEST  
3 LINE OF SAID PELPHREY TRACTS, AND GENERALLY ALONG SAID RICE AND  
4 SOUTHMAYD ROADS, A DISTANCE OF 5245.00 FEET TO THE POINT OF  
5 BEGINNING, CONTAINING 558.197 ACRES OR OF LAND MORE OR LESS.

6 TRACT 3

7 BEING A 185.677 ACRE TRACT OF LAND SITUATED IN THE SAMUEL GILMAN  
8 SURVEY, ABSTRACT NO. 456, GRAYSON COUNTY, TEXAS, AND BEING ALL OF A  
9 185.677 ACRE TRACT OF LAND, CONVEYED TO WALTON TEXAS, L.P. BY DEED  
10 RECORDED IN VOLUME 4782, PAGE 760, OFFICIAL PUBLIC RECORDS, GRAYSON  
11 COUNTY, TEXAS, SAID 185.677 ACRE TRACT, WITH BEARING BASIS BEING  
12 GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE,  
13 NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS  
14 BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004, CALCULATED  
15 FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986),  
16 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:  
17 BEGINNING AT A 1/2" IRON ROD FOUND AT THE MOST WESTERLY SOUTHWEST  
18 CORNER OF SAID 185.677 ACRE TRACT, SAID POINT BEING ON THE EAST  
19 RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 902 (A 100' RIGHT OF WAY);  
20 THENCE, NORTH 00 DEGREES 36 MINUTES 33 SECONDS WEST, ALONG SAID EAST  
21 RIGHT OF WAY LINE, A DISTANCE OF 996.90 FEET TO A 60D NAIL FOUND FOR  
22 CORNER NEAR THE CENTER LINE OF A PUBLIC ROAD;  
23 THENCE, NORTH 88 DEGREES 59 MINUTES 45 SECONDS EAST, WITH THE  
24 GENERAL DIRECTION OF SAID CENTERLINE OF SAID PUBLIC ROAD, A  
25 DISTANCE OF 839.41 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP  
26 STAMPED "RPLS 5433" FOUND FOR AND ELL CORNER OF SAID 185.677 ACRE  
27 TRACT, SAID POINT BEING ON THE WEST LINE OF A 51.465 ACRE TRACT OF

1 LAND CONVEYED BY DEED TO CHALLENGE MOTOR SPORTS, L.P., RECORDED IN  
2 VOLUME 4224, PAGE 225, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY,  
3 TEXAS;

4 THENCE, SOUTH 01 DEGREES 09 MINUTES 35 SECONDS WEST, ALONG SAID WEST  
5 LINE, A DISTANCE OF 18.26 FEET TO A 1/2" IRON ROD FOUND FOR AN ELL  
6 CORNER OF SAID 185.677 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF  
7 SAID 51.465 ACRE TRACT;

8 THENCE, NORTH 87 DEGREES 42 MINUTES 40 SECONDS EAST, ALONG THE NORTH  
9 LINE OF SAID 185.677 ACRE TRACT AND THE SOUTH LINE OF SAID 51.465  
10 ACRE TRACT, A DISTANCE OF 1953.64 FEET TO A 1/2" IRON ROD FOUND FOR  
11 CORNER;

12 THENCE, NORTH 88 DEGREES 42 MINUTES 58 SECONDS EAST, CONTINUING  
13 ALONG SAID NORTH LINE OF 185.677 ACRE TRACT, A DISTANCE OF 664.80  
14 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433"  
15 FOUND FOR THE NORTHEAST CORNER OF SAID 185.677 ACRE TRACT, SAID  
16 POINT BEING THE ELL CORNER OF A 10.001 ACRE TRACT CONVEYED TO JESSE  
17 WHITTINGTON, RECORDED IN VOLUME 4272, PAGE 659, OFFICIAL PUBLIC  
18 RECORDS, GRAYSON COUNTY, TEXAS;

19 THENCE, ALONG THE EAST LINE OF SAID 185.677 ACRE TRACT, THE  
20 FOLLOWING COURSES AND DISTANCES

21 SOUTH 00 DEGREES 27 MINUTES 48 SECONDS EAST, ALONG THE WEST  
22 LINE OF SAID 10.001 ACRE TRACT, A DISTANCE OF 413.59 FEET TO A  
23 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433"  
24 FOUND FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF  
25 SAID 10.001 ACRE TRACT AND THE NORTHWEST CORNER OF A 136.85  
26 ACRE TRACT OF LAND CONVEYED BY DEED TO SUTTER INVESTMENTS,  
27 L.P., RECORDED IN VOLUME 4224, PAGE 231, OFFICIAL PUBLIC



1 RECORDS, GRAYSON COUNTY, TEXAS;

2 SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, ALONG THE WEST  
3 LINE OF SAID 136.85 ACRE TRACT, A DISTANCE OF 2334.85 FEET TO  
4 A 1" IRON PIPE FOUND FOR CORNER, SAID POINT BEING THE  
5 SOUTHWEST CORNER OF SAID 136.85 ACRE TRACT AND THE NORTHWEST  
6 CORNER OF 15.00 ACRE TRACT OF LAND CONVEYED BY DEED TO BILLY  
7 LYNN, RECORDED IN VOLUME 1462, PAGE 390, DEED RECORDS,  
8 GRAYSON COUNTY, TEXAS;

9 SOUTH 00 DEGREES 04 MINUTES 17 SECONDS WEST, ALONG THE WEST  
10 LINE OF SAID 15.00 ACRE TRACT, A DISTANCE OF 510.69 FEET TO A  
11 1/2" SQUARE IRON ROD FOUND FOR CORNER, SAID POINT BEING THE  
12 SOUTHWEST CORNER OF SAID 15.00 ACRE TRACT AND THE NORTHWEST  
13 CORNER OF A 16.866 ACRE TRACT OF LAND CONVEYED BY DEED TO  
14 JAMES D. HOOVER, RECORDED IN VOLUME 3245, PAGE 578, OFFICIAL  
15 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID POINT ALSO LYING  
16 NEAR THE CENTER OF A PUBLIC ROAD KNOWN AS COBLER ROAD;

17 SOUTH 00 DEGREES 23 MINUTES 38 SECONDS EAST, ALONG THE WEST  
18 LINE OF SAID 16.866 ACRE TRACT AND WITH THE GENERAL DIRECTION  
19 OF THE CENTERLINE OF COBLER ROAD, A DISTANCE OF 407.48 FEET TO  
20 A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433"  
21 FOUND FOR THE SOUTHWEST CORNER OF SAID 185.677 ACRE TRACT,  
22 SAID POINT BEING AT THE INTERSECTION OF SAID COBLER ROAD AND A  
23 PUBLIC ROAD KNOWN AS MINNIS ROAD;

24 THENCE, SOUTH 89 DEGREES 02 MINUTES 11 SECONDS WEST, ALONG THE SOUTH  
25 LINE OF SAID 185.677 ACRE TRACT AND WITH THE GENERAL DIRECTION OF  
26 SAID COBLER ROAD, A DISTANCE OF 1748.05 FEET TO A 1/2" IRON ROD  
27 FOUND FOR CORNER; THE SOUTHWEST CORNER OF SAID 185.677 ACRE TRACT

1 AND THE SOUTHEAST CORNER OF A 33.04 ACRE TRACT OF LAND CONVEYED BY  
2 DEED TO THOMAS W. BYROM, SR., RECORDED IN 3117, PAGE 40, OFFICIAL  
3 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
4 THENCE, NORTH 00 DEGREES 49 MINUTES 46 SECONDS WEST, ALONG THE  
5 COMMON WEST LINE OF SAID 185.677 ACRE TRACT AND THE EAST LINE OF  
6 SAID 33.04 ACRE TRACT, A DISTANCE OF 2562.49 FEET TO A 1/2" IRON ROD  
7 FOUND FOR THE NORTHEAST CORNER OF SAID 33.04 ACRE TRACT AND THE  
8 SOUTHEAST CORNER OF A 12.352 ACRE TRACT OF LAND CONVEYED BY DEED TO  
9 THE MILDRED L. BROWN REVOCABLE TRUST, RECORDED IN VOLUME 3194, PAGE  
10 344, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
11 THENCE, NORTH 01 DEGREES 43 MINUTES 38 SECONDS WEST, CONTINUING  
12 ALONG THE WEST LINE OF SAID 185.677 ACRE TRACT AND THE COMMON EAST  
13 LINE OF SAID 12.352 ACRE TRACT, A DISTANCE OF 103.58 FEET TO A 1/2"  
14 IRON ROD FOUND FOR AND INTERIOR ELL CORNER OF SAID 185.677 ACRE  
15 TRACT AND THE NORTHEAST CORNER OF SAID 12.352 ACRE TRACT;  
16 THENCE, SOUTH 88 DEGREES 06 MINUTES 00 SECONDS WEST, ALONG THE  
17 COMMON SOUTH LINE OF SAID 185.677 ACRE TRACT AND THE NORTH LINE OF  
18 SAID 12.352 ACRE TRACT, A DISTANCE OF 1695.09 FEET; TO THE POINT OF  
19 BEGINNING AND CONTAINING 185.677 ACRES LAND, MORE OR LESS.  
20 TRACT 4  
21 BEING A 207.484 ACRE TRACT OF LAND SITUATED IN THE SAMUEL GILMAN  
22 SURVEY, ABSTRACT NO. 456 AND THE S. PRATHER SURVEY, ABSTRACT NO.  
23 934, GRAYSON COUNTY, TEXAS, AND BEING ALL OF A 207.51 ACRE TRACT OF  
24 LAND, CONVEYED AS TRACT 1 TO WALTON TEXAS, L.P., BY DEED RECORDED IN  
25 VOLUME 4861, PAGE 258, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY,  
26 TEXAS, SAID 207.484 ACRE TRACT, WITH BEARING BASIS BEING GRID  
27 NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83

1 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS BETWEEN  
2 JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004, CALCULATED FROM  
3 COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986),  
4 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:  
5 BEGINNING AT A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID  
6 207.484 ACRE TRACT, SAID POINT BEING THE NORTHEAST CORNER OF A  
7 130.028 ACRE TRACT OF LAND CONVEYED BY DEED TO LITTLE CREEK  
8 INVESTMENTS, L.P., RECORDED IN VOLUME 3751, PAGE 802, OFFICIAL  
9 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID POINT BEING ON THE WEST  
10 LINE OF F.M. HIGHWAY NO. 902 (A 100 FOOT RIGHT-OF-WAY) AND IN A  
11 PUBLIC ROAD KNOWN AS SPRING CREEK ROAD;  
12 THENCE, SOUTH 89 DEGREES 47 MINUTES 51 SECONDS WEST, ALONG THE  
13 COMMON SOUTH LINE OF SAID 207.484 ACRE TRACT AND THE NORTH LINE OF  
14 SAID 130.028 ACRE TRACT, A DISTANCE OF 1751.93 FEET TO A 1/2" IRON  
15 ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 3688" FOUND FOR THE  
16 SOUTHWEST CORNER OF SAID 207.484 ACRE TRACT AND THE SOUTHEAST  
17 CORNER OF A 20.992 ACRE TRACT OF LAND CONVEYED BY DEED TO JOHN  
18 DANIEL BROWN JR. AND TWALLA Y. BROWN RECORDED IN VOLUME 4292, PAGE  
19 423, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
20 THENCE, NORTH 00 DEGREES 57 MINUTES 18 SECONDS EAST, ALONG THE  
21 COMMON WEST LINE OF SAID 207.484 ACRE TRACT AND THE EAST LINE OF  
22 SAID 20.992 ACRE TRACT, A DISTANCE OF 880.65 FEET TO A 1/2" IRON ROD  
23 WITH FOUND FOR AN INTERIOR ELL CORNER OF SAID 207.484 ACRE TRACT AND  
24 THE NORTHEAST CORNER OF SAID 20.992 ACRE TRACT;  
25 THENCE, SOUTH 88 DEGREES 18 MINUTES 15 SECONDS WEST, ALONG THE  
26 COMMON SOUTH LINE OF SAID 207.484 ACRE TRACT AND THE NORTH LINE OF  
27 SAID 20.992 ACRE TRACT AND THE NORTH LINES OF A 9.000 ACRE TRACT OF

1 LAND CONVEYED BY DEED TO JONATHAN L. HACKETT, RECORDED IN VOLUME  
2 3909, PAGE 579, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; A  
3 5.334 ACRE TRACT OF LAND CONVEYED BY DEED TO TIMOTHY A GARBACIK AND  
4 DEBBIE J. GARBACIK RECORDED IN VOLUME 3570, PAGE 885, OFFICIAL  
5 PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; AND A 13.000 ACRE TRACT OF  
6 LAND CONVEYED BY DEED TO DOYLE ALAN COULTER, RECORDED IN VOLUME  
7 3356, PAGE 501, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; A  
8 DISTANCE OF 2631.70 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST  
9 CORNER OF SAID 207.484 ACRE TRACT AND THE NORTHWEST CORNER OF SAID  
10 13.000 ACRE TRACT AND BEING ON THE EAST LINE OF A TRACT OF LAND  
11 CONVEYED BY WILL TO NANCY L. LINDSAY, RECORDED IN VOLUME 4039, PAGE  
12 877, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
13 THENCE, NORTH 01 DEGREES 06 MINUTES 22 SECONDS EAST, ALONG THE  
14 COMMON WEST LINE OF SAID 207.484 ACRE TRACT AND THE EAST LINE OF  
15 SAID LINDSAY TRACT, A DISTANCE OF 518.13 FEET TO A 60D NAIL FOUND IN  
16 FENCE POST FOR A NORTHWEST CORNER OF SAID 207.484 ACRE TRACT AND  
17 BEING THE SOUTHWEST CORNER OF A 78.974 ACRE TRACT OF LAND CONVEYED  
18 BY DEED TO TOW W. PINGLETON RECORDED IN VOLUME 4042, PAGE 73,  
19 OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;  
20 THENCE, SOUTH 89 DEGREES 59 MINUTES 22 SECONDS EAST, ALONG THE  
21 COMMON NORTH LINE OF SAID 78.974 ACRE TRACT, A DISTANCE OF 409.90  
22 FEET TO A 1/2" IRON ROD FOUND FOR AND INTERIOR ELL CORNER OF SAID  
23 207.484 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 78.974 ACRE  
24 TRACT;  
25 THENCE, NORTH 01 DEGREES 11 MINUTES 10 SECONDS EAST, ALONG THE  
26 COMMON WEST LINE OF SAID 207.484 TRACT AND THE EAST LINE OF SAID  
27 78.974 ACRE TRACT, A DISTANCE OF 1352.83 FEET TO A 1/2" IRON ROD

1 WITH PLASTIC CAP STAMPED "COX4577" FOUND FOR THE NORTHWEST CORNER  
2 OF SAID 207.484 ACRE TRACT;  
3 THENCE, NORTH 88 DEGREES 22 MINUTES 08 SECONDS EAST, ALONG THE NORTH  
4 LINE OF SAID 207.484 ACRE TRACT, A DISTANCE OF 3816.13 FEET TO A  
5 5/8" IRON ROD WITH PLASTIC CAP STAMPED "PEISER SUR" FOUND FOR THE  
6 NORTHEAST CORNER OF SAID 207.484 ACRE TRACT, SAID POINT BEING ON THE  
7 AFORESAID WEST LINE OF F.M. HIGHWAY 902 AND BEING THE BEGINNING OF A  
8 NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 16 DEGREES  
9 45 MINUTES 31 SECONDS, A RADIUS OF 1860.00 FEET, AND A LONG CHORD  
10 THAT BEARS SOUTH 08 DEGREES 38 MINUTES 43 SECONDS EAST, A DISTANCE  
11 OF 542.10 FEET;  
12 THENCE, ALONG SAID NON-TANGENT CURVE TO THE RIGHT AND THE COMMON  
13 EAST LINE OF SAID 207.484 ACRE TRACT AND SAID WEST LINE OF F.M.  
14 HIGHWAY 902, AN ARC DISTANCE OF 544.04 FEET TO A 5/8" IRON ROD WITH  
15 PLASTIC CAP STAMPED "PEISER SUR" FOUND FOR CORNER;  
16 THENCE, SOUTH 00 DEGREES 36 MINUTES 33 SECONDS EAST, CONTINUING  
17 ALONG SAID COMMON LINE, A DISTANCE OF 2239.76 FEET TO THE POINT OF  
18 BEGINNING AND CONTAINING 207.484 ACRES LAND, MORE OR LESS.

19 SECTION 3.03. (a) The legal notice of the intention to  
20 introduce this article, setting forth the general substance of this  
21 article, has been published as provided by law, and the notice and a  
22 copy of this article have been furnished to all persons, agencies,  
23 officials, or entities to which they are required to be furnished  
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
25 Government Code.

26 (b) The governor, one of the required recipients, has  
27 submitted the notice and article to the Texas Commission on

1 Environmental Quality.

2 (c) The Texas Commission on Environmental Quality has filed  
3 its recommendations relating to this article with the governor, the  
4 lieutenant governor, and the speaker of the house of  
5 representatives within the required time.

6 (d) All requirements of the constitution and laws of this  
7 state and the rules and procedures of the legislature with respect  
8 to the notice, introduction, and passage of this article are  
9 fulfilled and accomplished.

10 SECTION 3.04. (a) Section 8249.106, Special District Local  
11 Laws Code, as added by Section 3.01 of this article, takes effect  
12 only if this Act receives a two-thirds vote of all the members  
13 elected to each house.

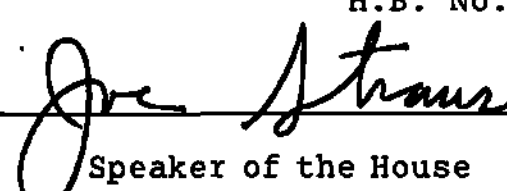
14 (b) If this Act does not receive a two-thirds vote of all the  
15 members elected to each house, Subchapter C, Chapter 8249, Special  
16 District Local Laws Code, as added by Section 3.01 of this article,  
17 is amended by adding Section 8249.106 to read as follows:

18 Sec. 8249.106. NO EMINENT DOMAIN POWER. The district may  
19 not exercise the power of eminent domain.

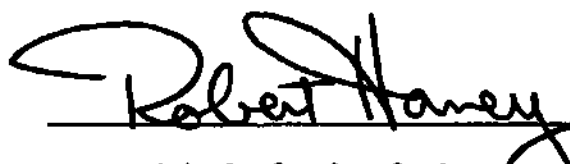
20 (c) This section is not intended to be an expression of a  
21 legislative interpretation of the requirements of Section 17(c),  
22 Article I, Texas Constitution.

23 SECTION 3.05. Except as provided by Section 3.04 of this  
24 article, this article takes effect September 1, 2011.


  
\_\_\_\_\_  
President of the Senate

H.B. No. 534  
  
\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 534 was passed by the House on April 7, 2011, by the following vote: Yeas 144, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 534 on May 24, 2011, by the following vote: Yeas 142, Nays 0, 2 present, not voting.

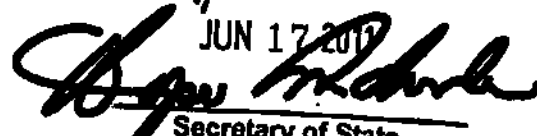
  
\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 534 was passed by the Senate, with amendments, on May 21, 2011, by the following vote: Yeas 31, Nays 0.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: 17 Jun '11  
Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4pm O'CLOCK  
JUN 17 2011  
  
\_\_\_\_\_  
Secretary of State